



Elkhart Morning Optimist Club

Property Assessment-to-Tax Billing Process

Timothy J. Rushenberg

Commissioner

Department of Local Government Finance

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Overview

- **What is the DLGF?**
- **Assessment Process**
- **Budget and Tax Billing Process**
- **Property Tax Relief**
- **Restore On-Time Property Tax Billing**
- **2010 U.S. Census**



Introduction to DLGF

- Oversight agency that ensures property tax assessment and local government budgeting processes are carried out by local government officials in accordance with Indiana law.
- Publish property tax assessment rules and annually review and approve the property tax rates and levies of every political subdivision, including all counties, cities, towns, townships, school corporations, libraries, and other entities with tax levy authority.
- Department is led by Commissioner Rushenberg, who was appointed by Governor Daniels on December 15, 2008.



Establishing Agency Standards

- Core Values
 - Put taxpayers first.
 - Respect local control.
 - Excellence in all that we do.



Assessment Process

- Property assessment is the process of placing a value on property – real and personal.
 - Assessment system is based on objectively verifiable data about property wealth = market value-in-use standard.
 - Farm land is assessed based on “use value,” which means that assessments vary only with their productivity in agriculture.
- Three methods assessors use to value property based on market value:
 - Sales comparison
 - Income capitalization
 - Replacement cost new minus depreciation (cost)



Assessment Process

- Personal property is self-reported annually.
- Real property:
 - General reassessments occur every five years – July 1, 2010.
 - Annual adjustments [or “trending”] is made between general reassessments to keep assessments in line with market values.



Budget and Tax Billing Process

- Each taxing unit sets a budget (ultimately approved by DLGF).
- Once budget is set, amount of property tax needed to fund that budget is determined = **property tax levy**.
- AV of all property in taxing unit is compiled from assessor = GAV
- Application by county auditor of allowed deductions, abatements, exemptions = NAV
- $\text{Total property tax levy} / \text{total NAV} = \text{tax rate}$ (set by DLGF).
- Rate is applied to each taxpayer's AV = tax bill.

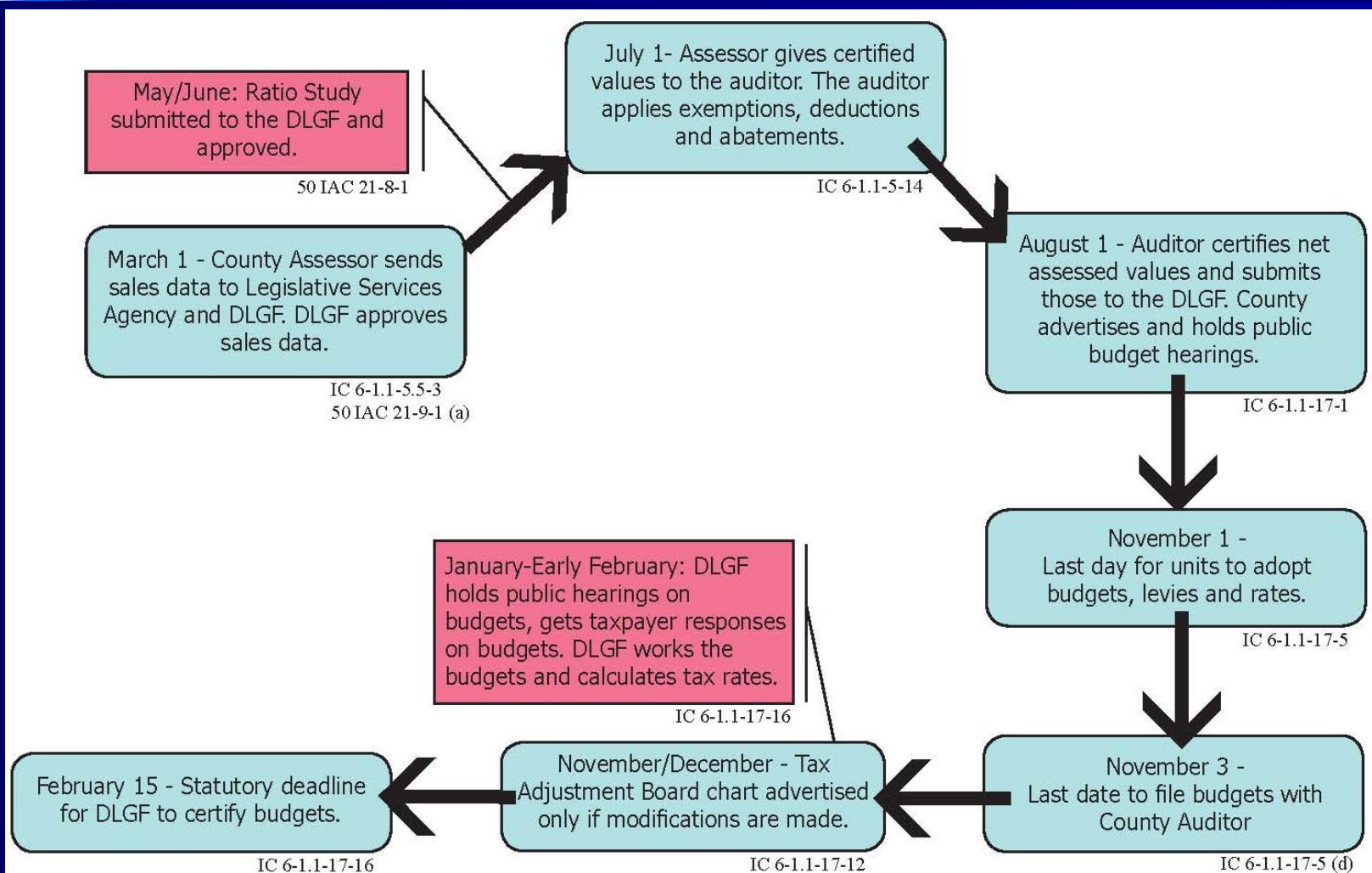


Budget and Tax Billing Process

- Controls on property tax levy growth plays role in determining whether property tax bill grows from year-to-year and by how much.
- Additionally, growth (or reduction) in AV within taxing unit will impact individual's tax liability.
 - For example, if taxing unit's budget and levy controls result in property tax levy increasing by 4%, an individual taxpayer will see 4% increase in tax bill if there is no change in total AV in that taxing unit.

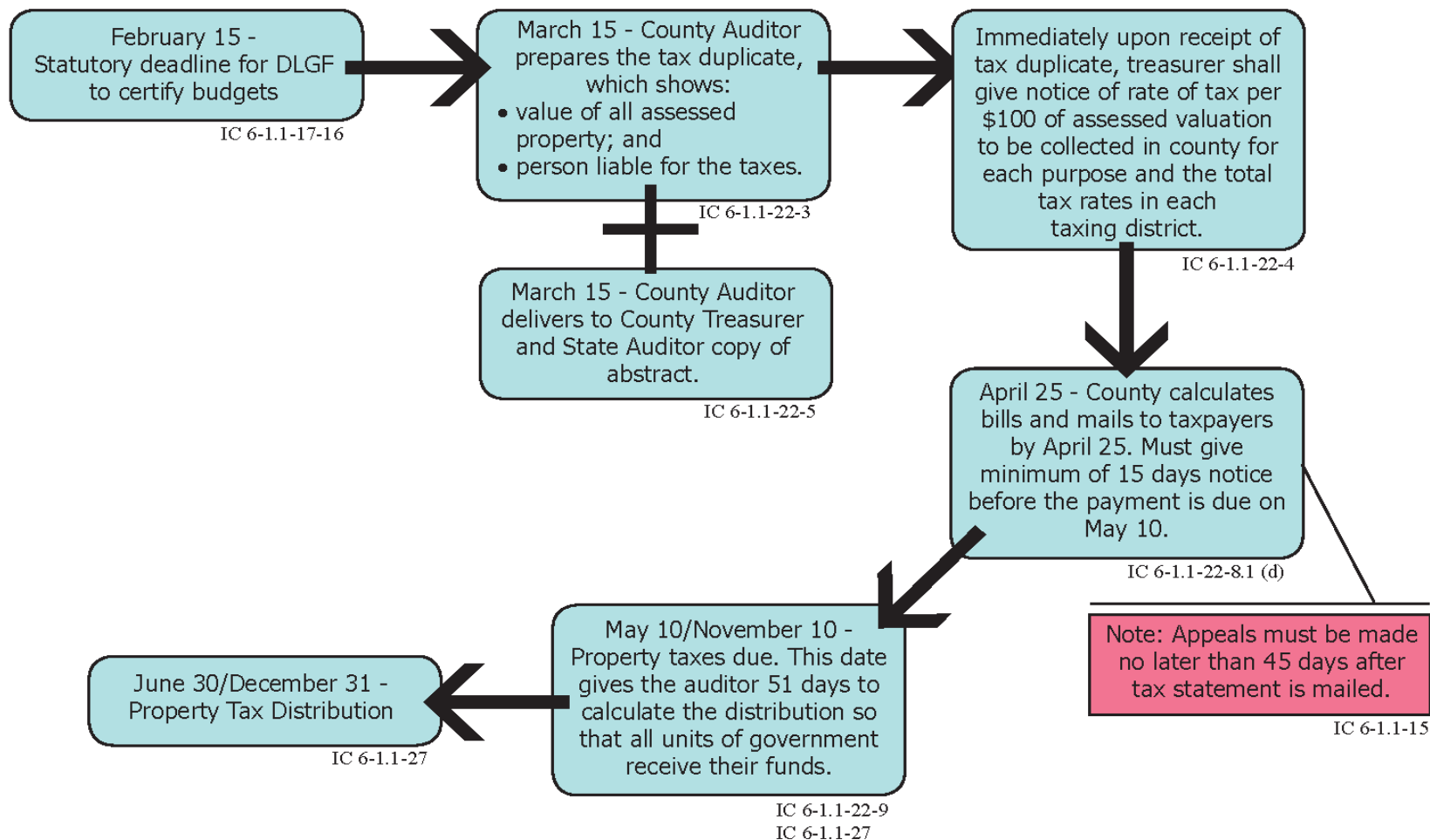


What is the tax assessment to billing process, and who is involved?





What is the tax assessment to billing process, and who is involved?





Property Tax Relief

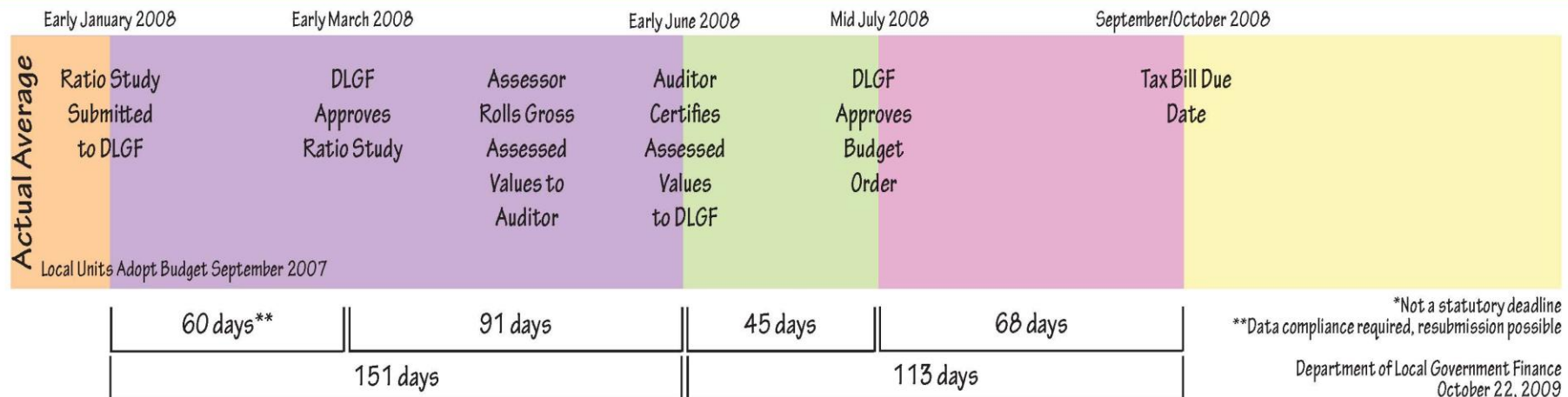
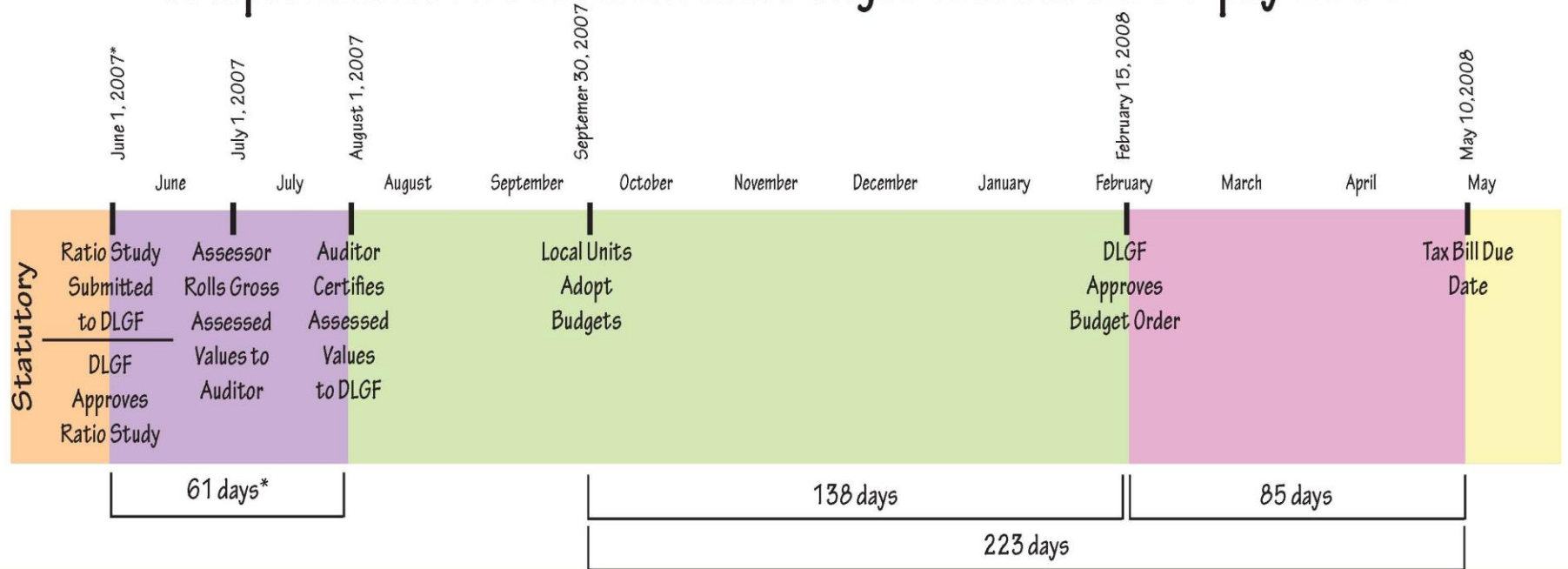
- Circuit Breaker Caps took effect at 1.5%, 2.5% and 3.5% of property's gross assessed value in 2009.
- Beginning in 2009, State assumed \$3 billion in local spending.
- Many property owners will see additional cuts next year as the caps drop to 1%, 2% and 3%.
- State-provided property tax relief has increased since 2007.



Restore On-Time Billing

- Reduce turnaround time for review and approval of ratio studies (includes counties w/data compliance issues)
 - 2007 pay 2008 – 60 days
 - 2008 pay 2009 – 55 days
 - 2009 pay 2010 – 18 days
- Reduce turnaround time for budget certification once certified assessed values are received
 - 2007 pay 2008 – 45 days
 - 2008 pay 2009 – 39 days

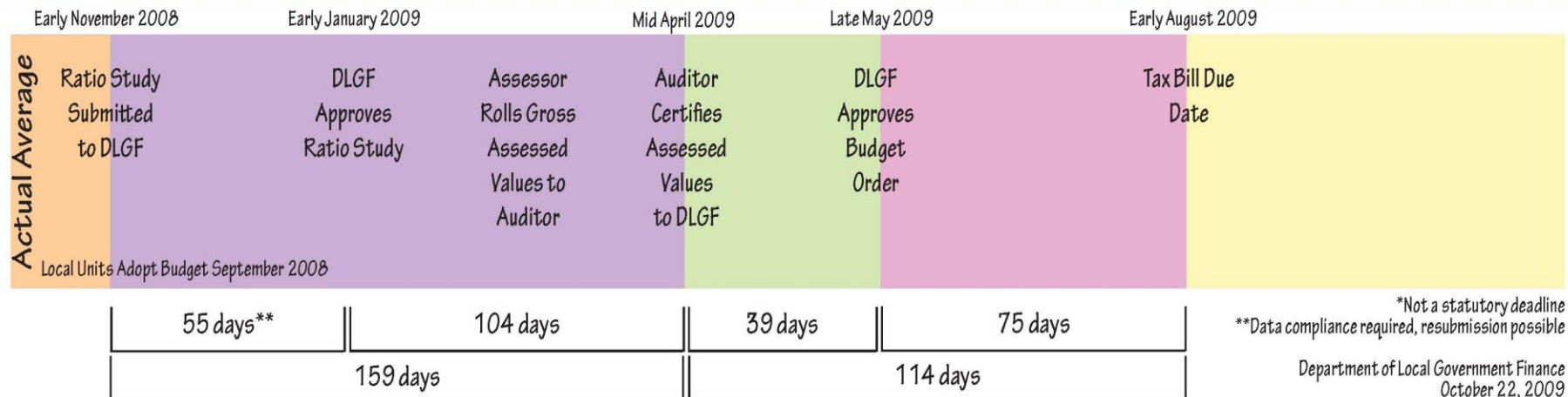
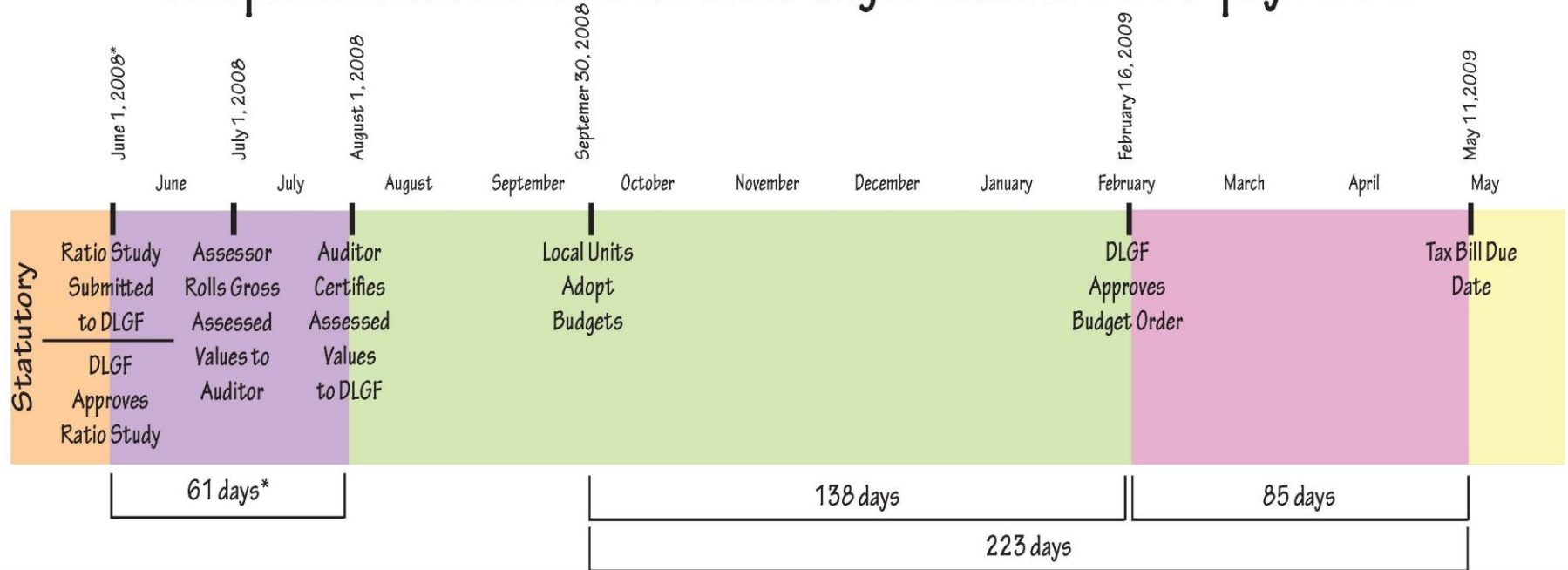
Comprehensive Assessment and Budget Timeline 2007 pay 2008



*Not a statutory deadline
 **Data compliance required, resubmission possible

Department of Local Government Finance
 October 22, 2009

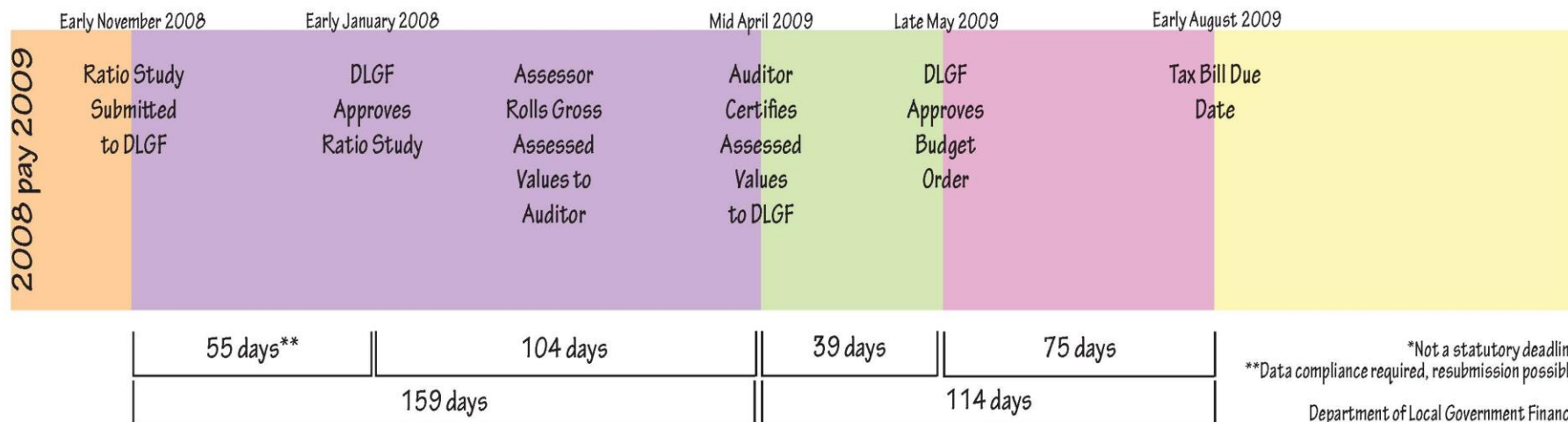
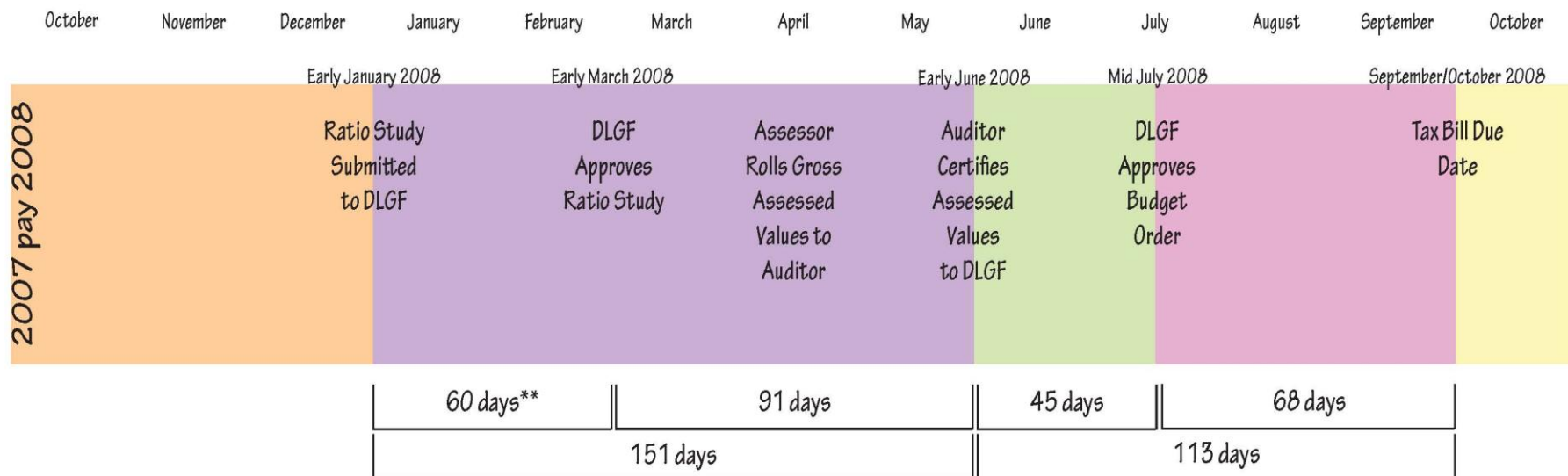
Comprehensive Assessment and Budget Timeline 2008 pay 2009



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Comprehensive Assessment and Budget Timeline



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 October 22, 2009



2008 Budget Certification status as of October 22, 2008

Status Maps:

<http://www.in.gov/dlgf/6827.htm>

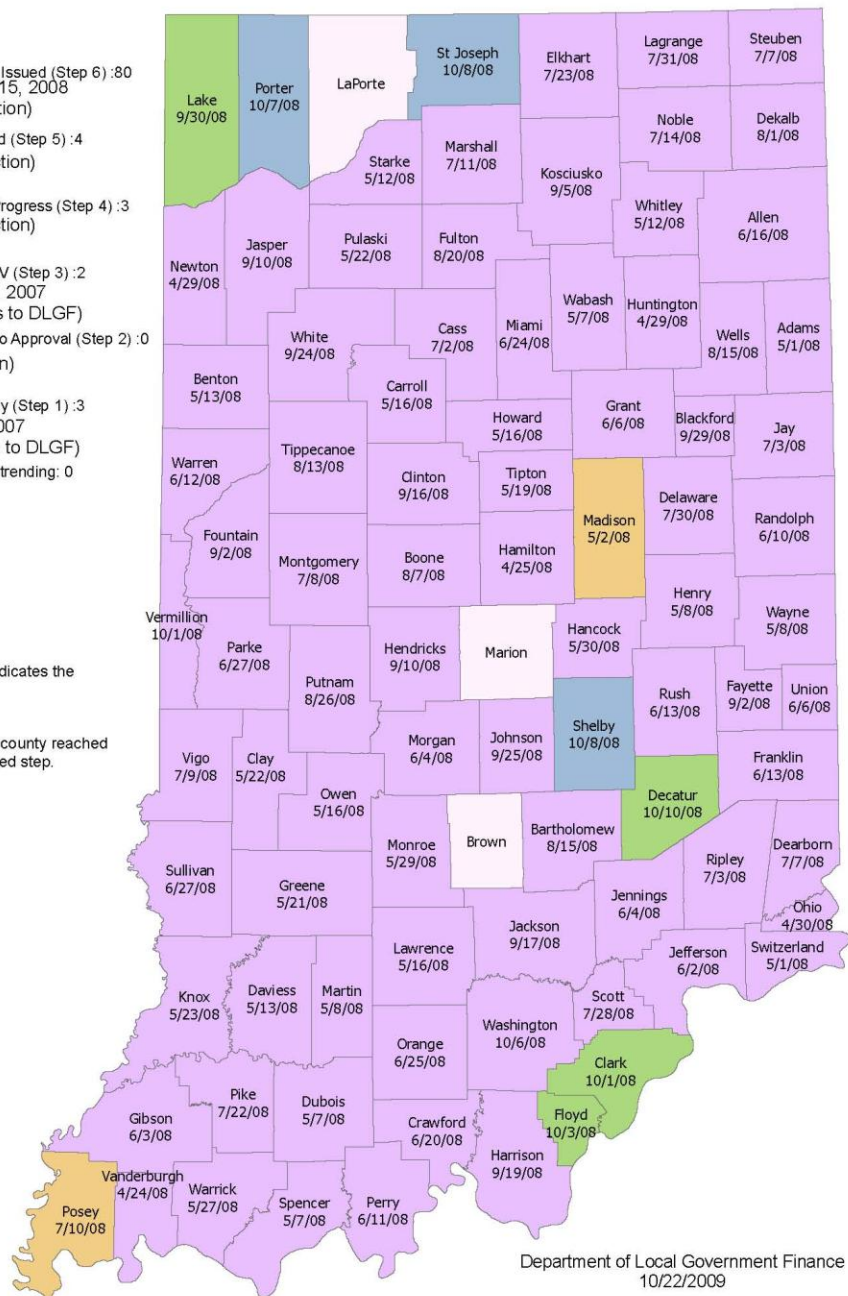
2007 pay 2008 Budget Certification Status Map As of October 22, 2008

Indiana Counties

- Final Budget Order Issued (Step 6) :80
Due February 15, 2008
(DLGF Action)
- 1782 Notices Issued (Step 5) :4
(DLGF Action)
- Budget Review in Progress (Step 4) :3
(DLGF Action)
- Awaiting Certified AV (Step 3) :2
Due August 1, 2007
(Co. Auditor Sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :0
(DLGF Action)
- Awaiting Ratio Study (Step 1) :3
Due Spring 2007
(Co. Assessor sends to DLGF)
- State is performing trending: 0

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.





<http://www.in.gov/dlgf/6827.htm>

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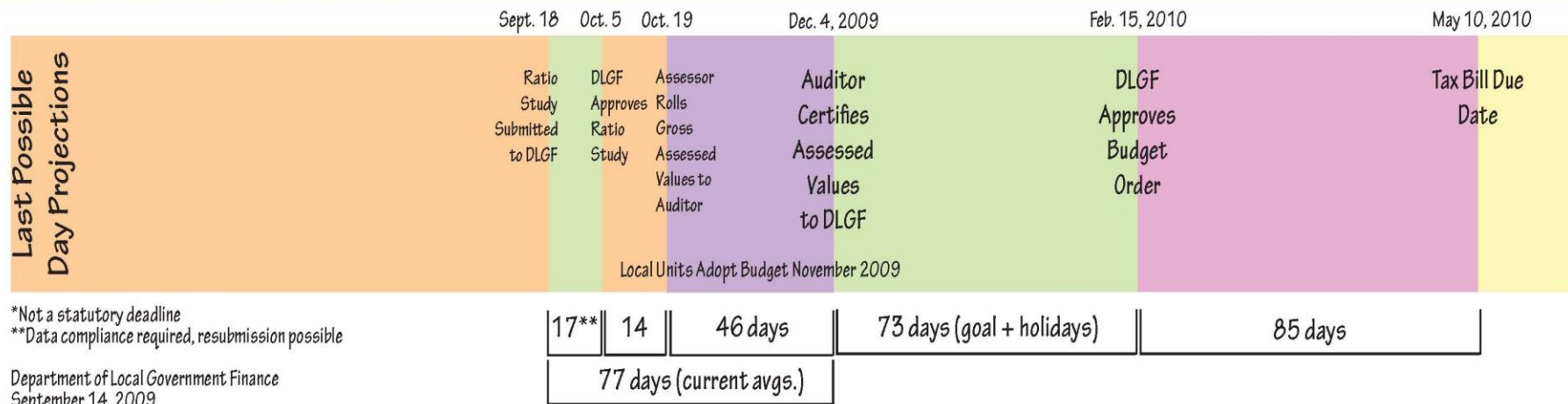
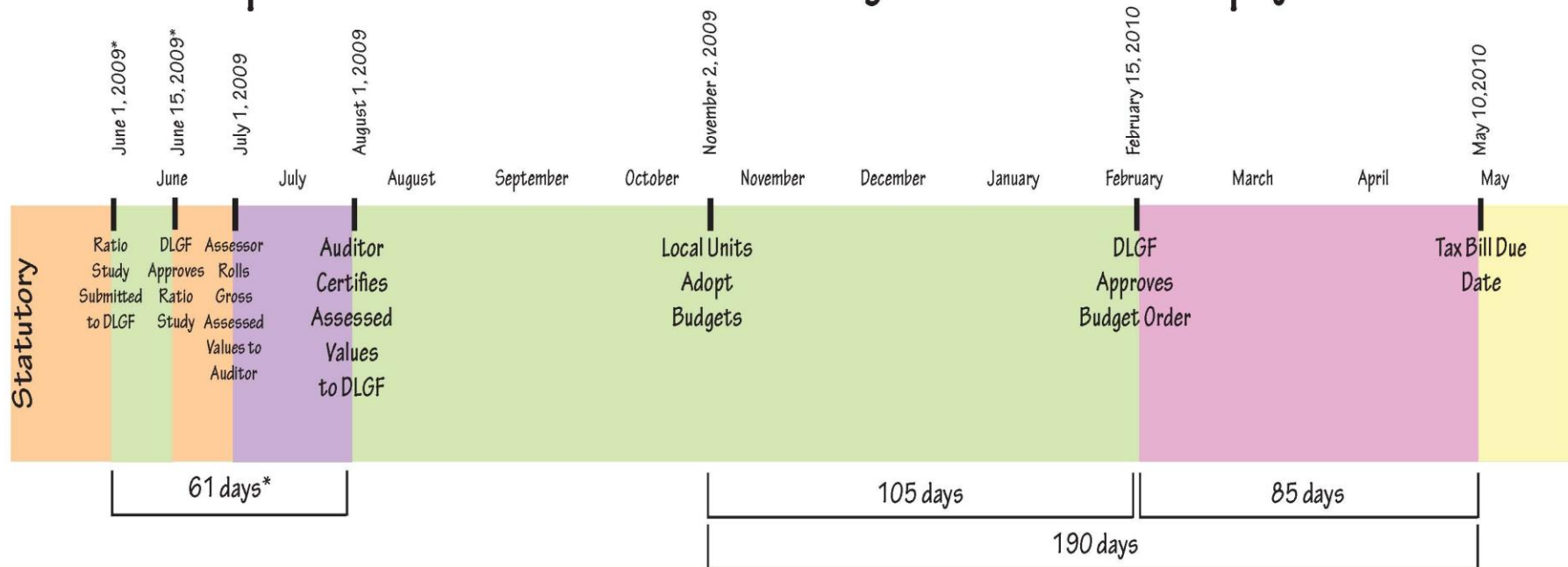


2010: “The Year of No Excuses”

In response to this challenge, the DLGF Team has accomplished the following:

- Streamlined the data compliance process for assessment-sales ratio study approval purposes;
- Simplified the annual adjustment rule to allow for the use of only one year of sales and repealed the previous guidance that assessments be changed even if assessment level and uniformity statistical measures were within international standards; and
- Established a goal to issue 2010 budget orders within 60 days from receipt of certified net assessed values from the county auditor.

Comprehensive Assessment and Budget Timeline 2009 pay 2010



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**Data compliance required, resubmission possible

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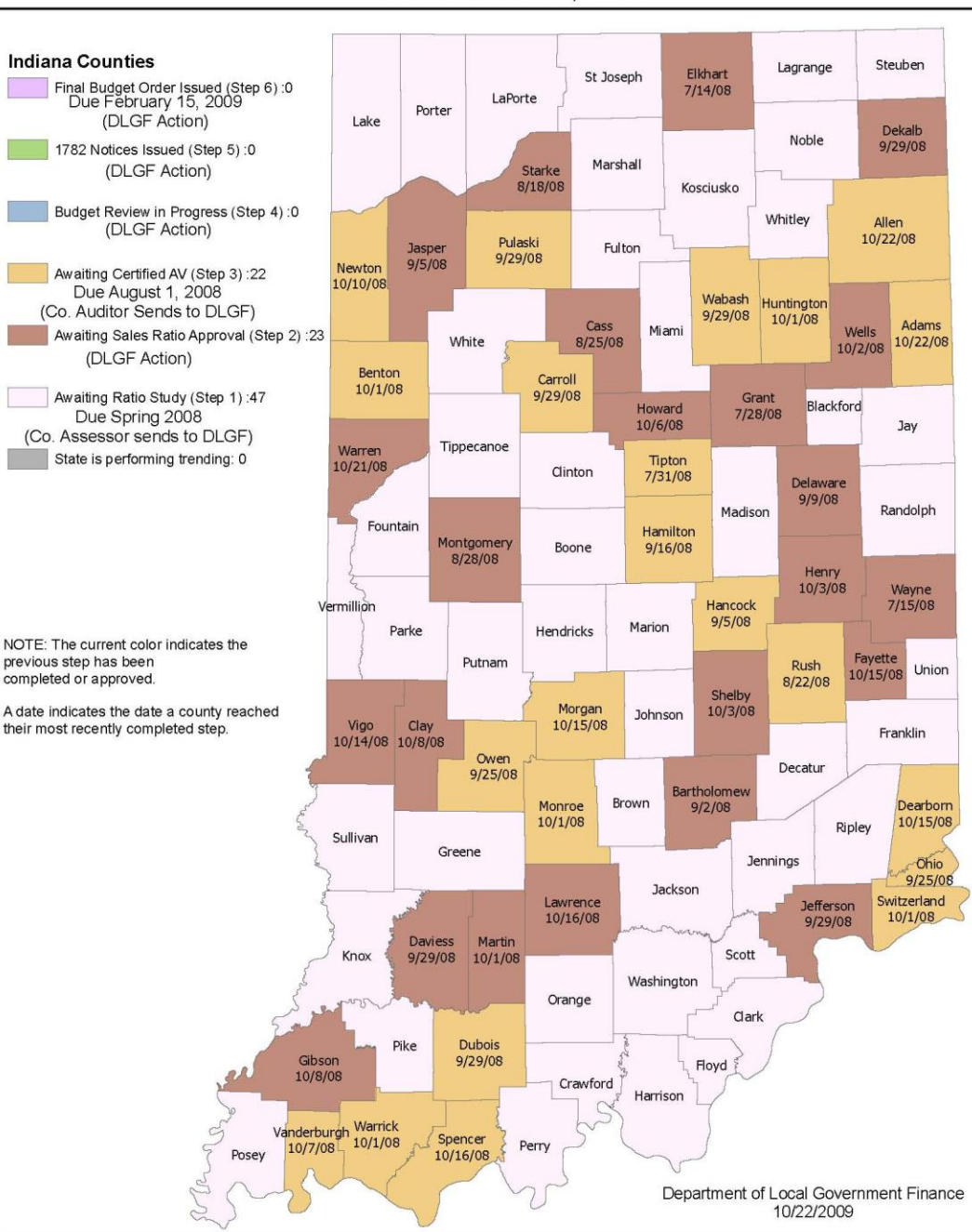


2009 Budget Certification status as of October 22, 2008

Status Maps:

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2008 pay 2009 Budget Certification Status Map
As of October 22, 2008





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Conclusion

- DLGF's role and responsibility as oversight agency over local officials and vendors.
- Market value-in-use assessment system
- Many participants in assessment-to-tax billing process.
- Strides made toward on-time tax billing in 2010

Now let's talk about the 2010 U.S. Census...



2010 Census

UNITED STATES CENSUS

2010 *Indiana*



For more information, visit the Indiana 2010 Census Web page: www.census.indiana.edu.



2010 Census

- The U.S. Constitution requires that a Census be conducted every 10 years to count each person living in the country.
 - The Census is used to apportion congressional seats.
 - Results inform policymakers who construct government programs.
 - Census numbers are the basis of funding for many federal programs, up to \$1,200 per person.
 - Medicaid, WIC food grants, social services
 - Title I educational grants
 - Transportation
 - State funds are often distributed using Census counts.
- **Our objective is to ensure that every Hoosier is counted.**



2010 Census

- Census Day is April 1, 2010
- Short “do” list to promote U.S. Census:
 - Alert your staff to upcoming Census
 - Post the Census message or link on your Web page
 - Mention it at appropriate meetings / presentations
- Census Message added to DLGF Form 11, TS-1, etc...



Contact The Department

- Tim Rushenberg
 - Telephone: 317.232.3775
 - Fax: 317.232.8779
 - E-mail: trushenberg@dlgf.in.gov
- Web site: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm